

# CALFRESH (CF) PROGRAM

## REQUEST FOR POLICY/REGULATION INTERPRETATION

**INSTRUCTIONS:** Complete items 1 - 10 on the form. Use a separate form for each policy interpretation request. If additional space is needed, please use the second page. Be sure to identify the additional discussion with the appropriate number and heading. Retain a copy of the CF 24 for your records.

- Questions from counties, including county Quality Control, must be submitted by the county CalFresh Coordinator and may be submitted directly to the CalFresh Policy analyst assigned responsibility for the county, with a copy directed to the appropriate CalFresh Policy unit manager.
- Questions from Administrative Law Judges may be submitted directly to the CalFresh Policy analyst assigned responsibility to the county where the hearing took place, with a copy of the form directed to the appropriate CalFresh Bureau unit manager.

1. RESPONSE NEEDED DUE TO: <input checked="" type="checkbox"/> Policy/Regulation Interpretation <input type="checkbox"/> QC <input checked="" type="checkbox"/> Fair Hearing <input type="checkbox"/> Other:	5. DATE OF REQUEST: 09/11/2017	NEED RESPONSE BY: ASAP
2. REQUESTOR NAME:	6. COUNTY/ORGANIZATION: Marin County	
3. PHONE NO.:	7. SUBJECT: Account Withdrawals - Income?	
4. REGULATION CITE(S): MPP 63-502.142	8. REFERENCES: (Include ACL/ACIN, court cases, etc. in references) <b>NOTE: All requests must have a regulation cite(s) and/or a reference(s).</b> MPP 63-502.142	

9. QUESTION: (INCLUDE SCENARIO IF NEEDED FOR CLARITY):

Background: A CF client is in her 50s and has run out of money. She is withdrawing \$2,500.00 per month from her IRA to pay her mortgage and meet other needs. She has to pay a penalty every month because she is not yet retirement age. She is actively seeking work and expects each month will be the last month she will have to take these early IRA withdrawals.

Please note this question was submitted on 07/01/2015. the response indicated "for those situations where resources would count the withdrawals would be considered income." I took that to mean if income was under 200% (which hers is prior to the withdrawals) MCE would apply and resources would not count. Therefore the IRA withdrawals would simply be the same as a withdrawal from a bank account.

10. REQUESTOR'S PROPOSED ANSWER:

In light of MCE, early withdrawals from an IRA are the same as withdrawals from any other checking or savings account. The only time the withdrawals would count are when resources are an eligibility factor (i.e. income is over 200% FPL)

I just want to be sure I understood the first response. (which was on 07/02/2015)

By the way, prior to the Policy Interpretation response on 07/02/2015, I informally asked an ALJ. She checked with other ALJs and all were in agreement that in light of MCE the withdrawals would be conversion of property rather than income.

11. STATE POLICY RESPONSE (CFPB USE ONLY):

CDSS agrees with the proposed response based on the given scenario, and also adds the following information.

Per state regulation at MPP section 63-501.11, funds held in individual retirement accounts (IRAs) are considered liquid resources, when left untouched. Once a recipient begins to make regular withdrawals from their IRA account, the income is then considered unearned income per federal regulation at 7 CFR section 273.9(b)(2)(ii).

According to ACL- 12-25, in any case where the early withdrawal is not reasonably anticipated, such as uncertainty of having to make an early withdrawal from an IRA account because employment is not assured, the portion of the household's income that is uncertain shall not be counted. (continued next page)

### FOR CDSS USE

DATE RECEIVED:	DATE RESPONDED TO COUNTY/ALJ: November 6, 2017 EB
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**CALFRESH (CF) PROGRAM  
REQUEST FOR POLICY/REGULATION INTERPRETATION (Continued)**

1. RESPONSE NEEDED DUE TO:  <input type="checkbox"/> Policy/Regulation Interpretation <input type="checkbox"/> QC <input type="checkbox"/> Fair Hearing <input type="checkbox"/> Other:	5. DATE OF REQUEST:	NEED RESPONSE BY:
	6. COUNTY/ORGANIZATION:	
	7. SUBJECT:	
2. REQUESTOR NAME:	8. REFERENCES: <i>(Include ACL/ACIN, court cases, etc. in references)</i> <b>NOTE: All requests must have a regulation cite(s) and/or a reference(s).</b>	
3. PHONE NO.:		
4. REGULATION CITE(S):		

Unless the recipient collects an early withdrawal during the household's data month, anticipated or not, the unearned income shall be considered in determining eligibility and benefit amount for the upcoming Payment Period. If information received by the CWD indicates that income changes were not known to the recipient until after the Data Month, the change shall be treated as a voluntary mid-period report.